

## Madagascar Graphite Project Update

- **Drilling Continuing on Main Zone**
- **New SW Zone Confirmed**
- **Trenching Programme Commenced**

Cougar Metals NL (ASX Code: CGM) is pleased to provide an update on its exploration activities at the Toamasina Graphite Project in Madagascar. Further details of this project are available from previous ASX releases by the Company dated 16 November 2016 and 19 April 2017.

Cougar is earning a 50% interest in the project through the completion of a Preliminary Economic Study to NI 43-101 standards, to be completed by 31 October 2017 with a resource calculation to be completed by 30 June 2017. Extensions to these timeframes are currently the subject of ongoing discussions between the parties acting in good faith. All payments to the project vendor DNI have been completed, with the final payment of USD \$150,000 transferred on 8 June 2017.

Drilling commenced at the project on 26 April 2017, initially targeting a recently identified zone of graphite mineralisation (SW Zone) centred 2km west-southwest of the primary target area ('Main Zone') which is situated within 500m of the highway that transects the property (refer attached plan in Appendix 1).

### SW Zone

Drilling in the SW Zone has confirmed a large – previously unknown zone of flake graphite mineralisation. Mineralised holes generally averaged >15m of mineralised material. The Company is very encouraged by the drilling in this area which has the potential to add significant tonnage to the resource estimate of the project.

Twelve holes for a total of 270 metres were completed in the SW Zone. Holes were generally drilled to blade refusal, with an average depth of 23 metres. These holes have confirmed earlier assessments that the in-situ regolith in the area averages just under 25 metres in thickness.

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### Main Zone

Drilling in the Main Zone commenced on 13 June 2017. To date 11 holes have been completed for a total of 349 metres; averaging 31 metres per hole. Nine (9) of these holes have intersected moderate to strong flake graphite.

### Trenching

Additionally, a programme of extended trenching is underway, with a total of 600 line metres completed to date. Although primarily used as an exploration targeting tool, the technique is nonetheless useful in ascertaining continuity in drill-intersected mineralisation. Trench 1, comprising 320m at an average depth of 2m BNS (below natural surface), exposed 2 zones of strong graphite flake mineralisation averaging 20m in thickness and separated by 50m across strike. A total of 52 x 1.5m assay channel samples have been collected from these zones. The photos following show sampling operations and a close-up of the coarse flake graphite exposed in the (northern) trench wall respectively.



*Sampling the northern face of Trench 1*

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*Close up of a graphite seam in the north face of Trench 1*

The Company is highly encouraged by what is being observed at site, even though the Main Zone drilling programme is at a very early stage. Holes are averaging >20 metres in depth before blade refusal is encountered. This indicates significant volumes of weathered, free dig material. Significant thicknesses of mineralised material are being encountered; frequently in excess of 15 metres vertical thickness.

A total of 23 holes for 619 metres at an average termination depth of 27 metres have now been completed across the project area to date. With the completion and reinforcement of the main access road nearing completion, drill advance rates are increasing and it is anticipated that the drill definition programme will be completed in mid to late August 2017.

Samples are being dispatched in 300kg lots for assay, with an expected two-week turnaround per batch.

Unseasonal cyclonic rains and associated access problems have caused delays in the initial phase of the drilling. The weather has since returned to normal patterns and access problems have been largely rectified in the interim.

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*Drilling at the Main Zone*

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*Graphite seam with adjacent disseminated zones exposed in road cut in Main Zone*



*Close-up of the mineralisation*



ASX Announcement  
27 June 2017

We welcome enquiries for further information. Please contact the undersigned via email at [r.swick@cgm.com.au](mailto:r.swick@cgm.com.au).

Yours sincerely

**COUGAR METALS NL**

**RANDAL SWICK**

*Executive Chairman*

#### **Forward Looking Statements**

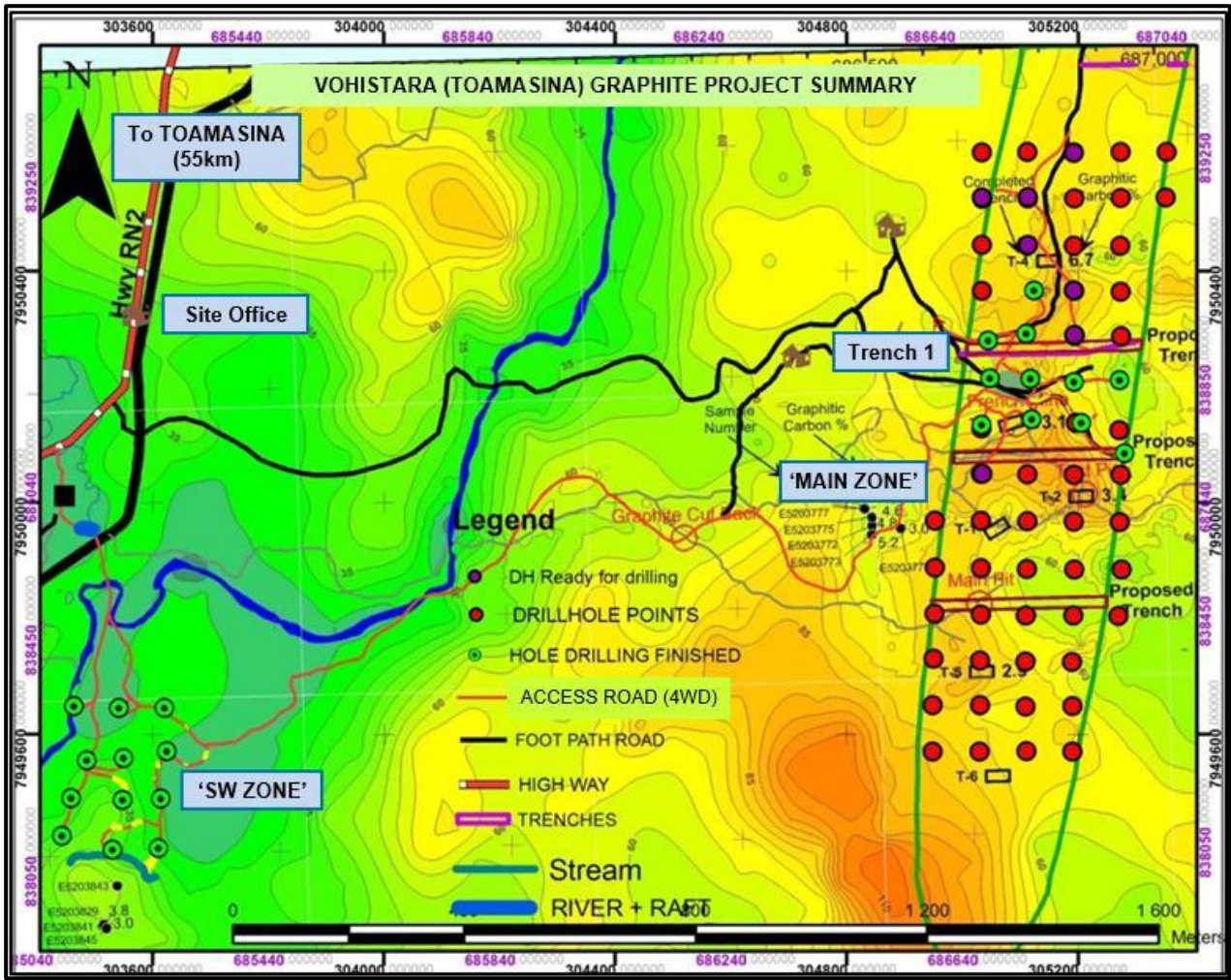
*Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Cougar Metals NL, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.*

#### **Competent Persons Statement**

*The information in this report that relates to Exploration Results or Minerals Resources is based on information compiled by Mr Steven Goertz, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Goertz is a Director of Hendry Consulting Sarl and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Goertz consents to the inclusion in the release of the statements based on the information in the form and context in which they appear.*

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**APPENDIX I – SITE MAP**



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